



MEMORANDUM

TO: Low Income Consumer Advisory Task Force

FROM: Debbie Kimberly, Vice President, Customer Energy Solutions

DATE: 11/14/2014

SUBJECT: November 9, 2014 Austin American-Statesman Article on Utility Rebates

On Sunday, November 9, the Austin American-Statesman published an article entitled: 'Wealthier residents get millions in utility rebates.' The online version was titled: "Wealthy residents cash in on \$165 million in Austin utility rebates." A link to this article was provided to all task force members. Staff takes seriously the advisory capacity in which the task force is deliberating and wants to ensure that members are provided with accurate information and the context in which data is presented. As Paul Harvey used to say, we want to ensure that 'you have the rest of the story.' To that end, here are the facts:

1. Last summer, a Statesman reporter was provided with data under a public information request (PIR). That information sought participation and rebate information, by ZIP code, for select Austin Energy (AE) energy efficiency and solar programs. Importantly, the period of time covered was *10 years* or inception to date, whichever is less. The article made no reference to the time period covered. For your information, we have posted the data to the task force web page.
2. The report defines as "wealthy" or "wealthier" the 50 percent of customers who have incomes above the average (median) income. Many would refer to some of these customers as middle class, not wealthy. Further, it assumes that everyone in a ZIP code has the characteristics of the average of that ZIP code, when in fact ZIP codes have diverse housing and income levels.
3. With the current tariff structure, the charge that funds the AE programs is collected based on consumption. Thus, large-use customers also pay more into the fund that pays for these rebates than smaller users. The largest energy-consuming homes tend to be larger single-family homes, occupied by higher income residents.
4. The article did not reference data provided that showed that fiscal year 2014 rebates resulted in energy savings for residents in 7,000 multifamily units.
5. The article says: "Austin Energy has had a free weatherization program in place for low-income residents since 1983, spending about \$2 million annually to fix up about 300 homes." In fact, we weatherize, on average, about 300 homes *annually*.
6. The numbers that were reported in the article do not correspond to what AE provided to the Statesman. Staff has asked for the source of the data used. For example:
 - a. The map shows extensive rebates Austin Water Utility rebates were included; we do not have that information, so are unable to reconcile all to totals.

- b. In some cases, some of the greatest spending, per our data, is in predominantly low-income ZIP codes. Thus, for example, spending on solar rebates in ZIP code 78723 – in East Austin -- is the highest. Similarly, cumulative spending of \$8.5 million on the appliance efficiency program is highest in 78749, located in South Austin. We have posted the maps we provided the Statesman to the task force web page.
 - c. The article makes no reference to the numbers of customers reached. For example, at its peak, the free thermostat program reached 90,000 residential customers (fully 25 percent of our current residential customers), across all economic classes and many living in multifamily housing.
 - d. The graphic presents data on window unit air conditioners noting that the total paid amounted to \$2.5 million; over the 10 year period ending in FY14, AE paid rebates on 2,483 ENERGY STAR qualified window units. Calculated at the current rebate of \$50 per unit, this amounts to roughly \$124,000.
 - e. The reference to 440 MW equating to the energy needed to serve 88,000 homes per year is a number we're unable to reconcile.
7. It is also important to note that currently, 43,000 customers receive CAP discounts on their monthly electric utility bills (and are exempted from this charge and the customer charge, and receive a 10% electric service discount). The aggregate amount of this discount for FY14 totaled roughly \$9 million for electric services, plus another \$6 million for other utilities. The overall monthly discount for a person receiving all utilities from the City of Austin, with average water and electric consumption is \$63/month. Of this, the electric service discount totals \$21. In addition, staff works with social service agencies and others to provide education to customers, which augments our other efforts.

Austin Energy Staff is available to address any additional questions you may have on this matter at your next task force meeting.